

ORIGINAL

Lowell W. Paxson - Chairman & CEO

August 2, 2004

The Honorable Kathleen Q. Abernathy
Federal Communications Commission
445 12th St., SW
Washington, D.C. 20554

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c/o Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th St., SW
Washington, D.C. 20554

Federal Communications Commission
Office of Secretary

Re: Digital Television Multicast Must-Carry
CS Docket No. 98-120

Dear Commissioner Abernathy:

I read with great interest your recent remarks to the Minorities in Media and Telecommunications Conference on Building and Financing Minority Broadcast Companies. Your impressive remarks demonstrate the Commission's commitment to the important goal of equalizing opportunity and increasing diversity on the nation's airwaves. But by continuing to delay a decision in the DTV must-carry proceeding, the Commission is missing a golden opportunity to achieve these ends. If you take a close and careful look at the extensive record developed in the six-year-old DTV must-carry proceeding, you can't help but conclude that the advent of **multicasting creates the greatest opportunity in the history of television to increase the level of minority participation in the production and distribution of programming.** But the only way to unleash this tidal wave of opportunity is to make multicasting a feasible business strategy by ordering full digital multicast must-carry. DTV broadcasters currently are finalizing their digital business plans and they are deciding whether and how much they will multicast. **If the Commission wants to maximize the opportunities for minority entrepreneurial involvement and expand exponentially the universe of programming directed towards minority viewers, it must order full digital multicast must-carry now!**

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Like you, I have long been committed to building up the opportunities of minority entrepreneurs to participate in the television business. When I was President of Home Shopping Network in the mid 1980s and early 1990s, I spearheaded an effort to expand minority participation that eventually led to seven new minority television station owners and another half-dozen minority-owned HSN affiliates. We were successful because we knew that expanding minority participation isn't just the right thing to do; it is also the right business strategy in a country that – as you rightly point out – is becoming more diverse every day. Since I founded PCC, our company has supported a string of regulatory initiatives to increase minority small business ownership opportunities, and we will continue to do so. In recent years, however, those proposals seem always to be pushed to the side in favor of other priorities, often due to constitutional concerns created by granting benefits to minorities that are not available to all. But multicast must-carry would solve those problems by increasing opportunity by such a tremendous amount that minority entrepreneurs and programmers could not help but benefit. With so many new channels to fill, it is self-evident that the current dearth of minority owned and themed programming would be replaced with a surfeit.

Just think of it. Multicasting would multiply by as much as six times the amount of airtime available for over-the-air broadcast programming. That's six times the opportunity for minority programmers. In the past few years, the Commission has seen that the creative use of over-the-air broadcast stations can be used to develop new networks like PAXTV, Univision, Telemundo, and Azteca America that bring programming to traditionally underserved audiences. Multicasting would accelerate that trend, leading to services for many of the nation's other underserved groups, particularly the severely underserved African-American and Asian-American audiences. Cable programmers and satellite operators provide programming services such as BET and TV One to the African-American community, but these services are national – not local – and they are available only to cable subscribers (and generally only to those that subscribe to a cable system's more expensive digital tiers). Multicasting would create plentiful fresh opportunities to expand the amount of diverse local programming available free to all over the public's airwaves. Moreover, multicasting would create the opportunity for programming that barely exists outside the Hispanic community: local minority-oriented news and public affairs programming.

But you don't have to take my word for it. In the words of the organization to which you gave your inspiring remarks: "Multicast DTV would enable the Commission to overcome some of the structural inequities that have so drastically thinned the ranks of minority owned broadcasters. In particular, multicast DTV would enable minority television broadcasters, drawing upon their unique backgrounds, experiences and perspectives, to develop multicultural programming using their DTV channel capacity

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August 2, 2004
Page 3

and that of their fellow broadcasters." *Ex Parte* Letter of the Minority Media and Telecommunications Council, CS Docket No. 98-120, filed January 26, 2004. I couldn't have said it better myself.

There is simply no better way than full digital multicast must-carry to simultaneously increase the economic stake that minorities have in the television industry while exponentially increasing the amount of minority-themed programming available to all audiences. In your remarks you noted that diversity is most likely to advance when fostering it makes good business sense. I agree. The essence of America is the opportunity to get ahead while doing the right thing. It's good to see that the Commission hasn't forgotten its role in bringing that opportunity to groups that traditionally have been shut out of the television industry. **The quickest way to open those doors, which have been shut for far too long, is by instituting full digital multicast must-carry without further delay.**

Sincerely,



Lowell W. Paxson
Chairman and CEO
PAXSON COMMUNICATIONS CORPORATION

cc: The Honorable Michael K. Powell
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The Honorable Kevin J. Martin
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